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September 22, 2004

T.R.A. DOCKET ROOM

IN RE: Petition of NewSouth Holdings, Inc.,) Docket No. 04-00309
NewSouth Communications Corp., and NuVox)
Communications, Inc. For Approval of an)
Internal Corporate Reorganization, Transfer of)
Authority, and For Approval, As Necessary, of)
Related Transactions)

**PETITION OF NEWSOUTH HOLDINGS, INC., NEWSOUTH COMMUNICATIONS
CORP., AND NUVOX COMMUNICATIONS, INC. FOR APPROVAL OF AN
INTERNAL CORPORATE REORGANIZATION, TRANSFER OF AUTHORITY, AND
FOR APPROVAL, AS NECESSARY, OF RELATED TRANSACTIONS**

NuVox Communications, Inc. ("NuVox"), NewSouth Communications Corp. ("NewSouth") and NewSouth Holdings, Inc. ("NewSouth Holdings") (collectively, "Petitioners"), all subsidiaries of NuVox, Inc.¹, the ultimate parent corporation, by their attorneys and pursuant to T.C.A. § 65-4-113, hereby petition the Tennessee Regulatory Authority (the "Authority" or "TRA") to approve or grant such authority as may be necessary for an internal corporate reorganization whereby existing subsidiaries of NuVox, Inc operating in the Southeastern United States will be merged into a single operating subsidiary, NewSouth Holdings. In connection with the reorganization mergers, NewSouth Holdings will change its name to "NuVox Communications, Inc."² Upon consummation of this reorganization,

¹ The Authority approved the merger of an acquisition subsidiary of NuVox, Inc with NewSouth Holdings in Docket No 04-00082 on June 4, 2004. Accordingly, as that transaction has been consummated, NewSouth Holdings, parent of NewSouth Communications Corp, currently is a wholly owned subsidiary of NuVox, Inc

² NewSouth Holdings, Inc, a Delaware corporation, currently functions as a holding company between the ultimate parent company, NuVox, Inc, and one of its operating subsidiaries in Tennessee, NewSouth Communication Corp. In connection with a series of mergers, as explained herein, NewSouth Holdings, Inc is going to change its name to "NuVox Communications, Inc" and hold the authorization to provide

NewSouth Holdings, renamed "NuVox Communications, Inc.", will provide service to the existing customers of NuVox and NewSouth. This internal reorganization will simplify the NuVox, Inc corporate structure, streamlining NuVox, Inc.'s operations in Tennessee, eliminating administrative redundancy and improving overall efficiency. Due to the timing of the Petitioners' business plans, it is respectfully requested that the Authority take any action necessary to approve this Petition at its earliest possible convenience and, in any event, no later than *December 31, 2004*.

Specifically, as described in more detail below, the Petitioners propose that the intrastate customer base of NuVox and NewSouth, the operating subsidiaries of NuVox, Inc. in Tennessee, be transferred to their affiliate, NewSouth Holdings, to be renamed "NuVox Communications, Inc." In addition, the Petitioners propose that the telecommunications authorization of NuVox and the tariffs of NewSouth be transferred to NewSouth Holdings, to be renamed "NuVox Communications, Inc." Upon consummation of the reorganization, the telecommunications operations of NuVox, Inc. in Tennessee will have been consolidated into one operating subsidiary: NuVox Communications, Inc f/k/a NewSouth Holdings, Inc. The telecommunications authorization of NewSouth and the tariffs of NuVox will be surrendered upon consummation of the reorganization.

The proposed transaction is not expected to result in any loss or impairment of service to any of the customers of the NuVox, Inc. subsidiaries that would be affected by the transaction. NuVox end user customers will continue to receive their existing services at the same rates and will continue to see the "NuVox Communications" name on their bills. The name of their

telecommunications services in Tennessee. Thus, for existing NuVox end user customers, the transaction will be invisible to them – their service provider will continue to have the same name. For existing NewSouth customers, the only change will be in the name of their service provider – their existing rates, terms and conditions of service will remain the same.

service provider will not change. Likewise, existing NewSouth customers will continue to receive their existing services at the same rates, terms and conditions. The only change for existing NewSouth customers will be in the name of their service provider.

In support of this Petition, the Petitioners provide the following information:

I. THE PETITIONERS

NuVox, Inc., a privately held Delaware corporation, and its operating subsidiaries, including NuVox Communications, Inc., a South Carolina corporation, and NewSouth Communications Corp., a Delaware corporation, are located at Two North Main Street, Greenville, South Carolina 29601.³ NuVox, Inc. is a rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to business customers. Through its various operating subsidiaries, including NuVox and NewSouth, NuVox, Inc. markets its services in 16 contiguous Midwestern and Southeastern states. NuVox, Inc. has operations through subsidiaries in 48 markets in 16 states, more than 600,000 access lines in service, 28 installed voice switches and 287 collocation sites in operation. NuVox, Inc.'s data network consists of 7 Cisco MGX ATM switches and 6 Cisco GSRs interconnecting border routers. Its voice network is based on the Sonus softswitch platform. Currently, NuVox, Inc.'s operating subsidiaries collectively have more than 38,000 customers.

In Tennessee, NuVox is authorized to provide local exchange and interexchange telecommunications services.⁴ NuVox is a direct, wholly owned subsidiary of TriVergent Corporation which, in turn, is a direct, wholly owned subsidiary of Gabriel Communications Finance Company which, in turn, is a direct, wholly owned subsidiary of NuVox, Inc. In

³ NuVox, Inc. has a few other operating subsidiaries that are not involved in the instant reorganization

⁴ See TRA Docket No. 99-00806, order issued February 22, 2000

Tennessee, NewSouth is authorized to provide local exchange and interexchange telecommunications services.⁵ NewSouth is a direct, wholly owned subsidiary of NewSouth Holdings which, in turn, is a direct, wholly owned subsidiary of NuVox, Inc. Thus, NuVox and NewSouth, backed by the financial, managerial and technical qualifications of their parent, NuVox, Inc., have been found by the Authority to possess the requisite qualifications necessary to operate as a provider of intrastate telecommunications services in Tennessee. NuVox, Inc., NuVox and NewSouth are also authorized by the FCC to provide domestic interstate and international telecommunications services. Upon consummation of the transactions described herein, NuVox, the South Carolina corporation, and NewSouth, will both cease to exist as corporate entities.

As noted above, the entity that is going to hold the telecommunications authorization following consummation of the reorganization described herein is NewSouth Holdings (renamed NuVox Communications, Inc.). NewSouth Holdings is a Delaware corporation currently operating as a holding company and a direct, wholly owned subsidiary of NuVox, Inc. NewSouth Holdings is in the process of becoming authorized to transact business in Tennessee as a foreign corporation, but it is not licensed to provide telecommunications services in any state at this time. Through a series of mergers as described herein, NewSouth Holdings will survive as a Delaware corporation and change its name to "NuVox Communications, Inc. d/b/a NuVox Communications." Because the new name will not be adopted until the mergers are completed, the Petitioners will late-file the amended Articles from Delaware and the appropriate documentation from the Tennessee Secretary of State showing the new name. This entity, NuVox Communications, Inc. d/b/a NuVox Communications, f/k/a NewSouth Holdings, will be

⁵ See TRA Docket No 98-00325, order issued November 24, 1998

the only operating subsidiary of NuVox, Inc. in the Southeastern region. It will be a direct, wholly owned subsidiary of Gabriel Communications Finance Company, a Delaware corporation, which in turn, will be a direct, wholly owned subsidiary of NuVox, Inc. Thus, NuVox, Inc. will continue to provide the technical, managerial and financial backing for its telecommunications operations in Tennessee. As the TRA is aware in connection with the merger filing referenced in footnote 1 above, no single shareholder or group of affiliated shareholders controls NuVox, Inc. Three shareholder groups – NHSI Ventures LLC, Wachovia Capital Partners 2003, LLC and its affiliates, and M/C Ventures Partners V, L.P. and its affiliates – each hold 10% or more of the voting and equity interests in NuVox, Inc. on a fully diluted basis, but no shareholder group holds 50% or more. Organizational charts reflecting the corporate structure of the Petitioners, both before and after the reorganization described herein, are appended hereto as *Exhibit A*

II. DESIGNATED CONTACTS

The designated contact for questions regarding this Petition are:

Henry M. Walker, Esq.
BOULT, CUMMINGS, CONNORS & BERRY, PLC
414 Union Street, Suite 1600
Nashville, TN 37219
Tel. (615) 252-2363

Melissa S. Conway, Esq.
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W., Suite 500
Washington, D.C. 20036
Tel. (202) 955-9667

Counsel to Petitioners

Copies of correspondence related to this Petition also should be sent to:

Riley Murphy
General Counsel, Secretary
NUVOX, INC.
Two N. Main Street
Greenville, SC 29601
Tel. (864) 672-5045
Fax (864) 672-5313

III. DESCRIPTION OF THE TRANSACTION

The reorganization and consolidation of the operating subsidiaries of NuVox, Inc. into a single operating entity, NuVox Communications, Inc. d/b/a NuVox Communications, f/k/a NewSouth Holdings, Inc., is anticipated to occur via a number of mergers.

With respect to NewSouth, Petitioners propose that NewSouth will be merged with and into NewSouth Holdings, with NewSouth Holdings surviving the merger and NewSouth ceasing to exist as a corporate entity.⁶ NewSouth's intrastate customer base will be transferred to NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers), which will assume all of NewSouth's assets and operations and will provide telecommunications services to NewSouth's customers. NewSouth's tariffs will also be transferred to NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers), to be *amended with the new name "NuVox Communications, Inc."* so that existing NewSouth customers will continue to receive the same services at the same rates, terms, and conditions. NewSouth's telecommunications authorization will be surrendered upon completion of the transfer of NewSouth customers to NewSouth Holdings (renamed NuVox Communications, Inc.). The Petitioners respectfully request that the Authority authorize, to the extent necessary, the merger of NewSouth with and into NewSouth Holdings, together with the transfer of NewSouth's tariffs and customer base to NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers).

The proposed transfer of operating authority from NewSouth to NuVox Communications, Inc. f/k/a NewSouth Holdings will have no adverse impact on customers. NuVox, Inc. will

⁶ All of the issued and outstanding capital stock of NewSouth will be cancelled and all of the issued and outstanding shares of NewSouth Holdings will be converted into issued and outstanding shares of the surviving corporation

remain the parent corporation. Current NewSouth customers will continue to receive their existing services under the same rates, terms and conditions and any future changes in the rates, terms and conditions of those services will be made consistent with TRA requirements. In accordance with applicable FCC and Tennessee carrier change requirements, advance written notice will be sent to affected NewSouth customers at least thirty (30) days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider without penalty.⁷ To prevent customer confusion, since consummation of the merger of NewSouth Holdings and NuVox, Inc earlier this year, the NuVox name has been included on the customer bills for the existing NewSouth customers.

With respect to NuVox, Petitioners propose that NuVox, the existing South Carolina operating subsidiary, will merge with and into NewSouth Holdings, the Delaware corporation, with NewSouth Holdings surviving and changing its name to "NuVox Communications, Inc."⁸ In connection with the merger of NuVox and NewSouth Holdings, NuVox's intrastate customer base and telecommunications authorization will be transferred to NewSouth Holdings (renamed NuVox Communications, Inc), which will assume all of NuVox's assets and operations and will provide service to NuVox's customers. NuVox's tariffs will be surrendered upon completion of

⁷ A copy of the FCC self-certification letter as well as the proposed customer notification letter will be late-filed with the TRA

⁸ All of the issued and outstanding shares of capital stock of NuVox held by TriVergent Corporation will be cancelled in connection with the merger, and all of the issued and outstanding shares of NewSouth Holdings will be converted into issued and outstanding shares of the surviving corporation, wholly owned by TriVergent Corporation. Prior to this merger, all of the shares of capital stock of NewSouth Holdings will be transferred by NuVox, Inc to TriVergent Corporation, the current parent corporation of NuVox, so that both NuVox and NewSouth Holdings are direct, wholly owned subsidiaries of TriVergent Corporation. TriVergent Corporation is wholly owned by Gabriel Communications Finance Company which, in turn, is wholly owned by NuVox, Inc. As a final step, TriVergent Corporation will merge with and into NuVox, the Delaware corporation, with NuVox surviving. All of the issued and outstanding shares of capital stock of NuVox will be cancelled in connection with the merger and all of the issued and outstanding shares of capital stock of TriVergent Corporation will be converted into the same number of issued and outstanding shares of capital stock of NuVox.

the transfer of NuVox customers to NewSouth Holdings (renamed NuVox Communications, Inc.). The Petitioners respectfully request that the Authority authorize, to the extent necessary, the merger of NuVox with and into NewSouth Holdings together with the transfer of NuVox's telecommunications authorization and customer base to NewSouth Holdings (renamed NuVox Communications, Inc.).

The proposed transfer of operating authority from NuVox to NuVox Communications, Inc. f/k/a NewSouth Holdings will have no adverse impact on end user customers. NuVox, Inc. will remain the parent corporation, and the name that customers see on their telecommunications invoice will remain "NuVox Communications." The name of their service provider will not change. Further, the same services will be provided to end user customers at the same rates and any future changes in the rates, terms and conditions of those services will be made consistent with TRA requirements. Because NuVox and NewSouth Holdings are managed by the same team of experienced telecommunications personnel, day-to-day operations will continue to function as they have in the past. Customer service functions will be provided by the same team of qualified consumer representatives. In accordance with applicable FCC and Tennessee carrier change requirements, advance written notice will be sent to affected NuVox customers at least thirty (30) days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider without penalty.⁹

Thus, upon consummation of all the mergers, the entity authorized to provide telecommunications services in Tennessee will be NuVox Communications, Inc. f/k/a NewSouth

⁹ A copy of the FCC self-certification letter as well as the proposed customer notification letter will be late- filed with the TRA.

Holdings, Inc., a Delaware corporation, wholly owned by Gabriel Communications Finance Company, Inc., wholly owned, in turn, by NuVox, Inc.

IV. STATUTORY ANALYSIS

Under T.C.A. § 65-4-113, the Authority, when considering a petition for the transfer of a certificate, “shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred.” Furthermore, under the statute, the Authority “shall approve the transfer after consideration of all relevant factors and upon the finding that such transfer furthers the public interest.”

The proposed internal corporate reorganization and transfer of operating authority is in the public interest. As noted above, the reorganization will generally be transparent to customers and will have no adverse impact on them. Current NewSouth customers will be properly notified of the change in their service provider from NewSouth to NuVox Communications f/k/a NewSouth Holdings and will continue to receive service at the same rates, terms, and conditions. Current NuVox customers will continue to be served by “NuVox Communications, Inc.” and will also be notified of the reorganization. NuVox end users will continue to receive service at their existing rates. This proposed consolidation will provide significant reductions in legal, accounting and tax administrative burdens and will simplify the NuVox companies’ corporate structure, eliminating administrative redundancy and improving the companies’ overall efficiency thereby enhancing the company’s ability to compete in Tennessee and elsewhere. Over time, consumers in Tennessee will benefit from a greater number of product and service options as well as more efficient prices resulting from the enhanced competitive ability of the streamlined company.

As reflected on the ownership charts appended hereto, upon completion of the reorganization, the ultimate ownership of NuVox Communications, Inc. f/k/a NewSouth Holdings will be identical to its current ownership and the ownership of NuVox and NewSouth. Thus, there should be no question about the qualifications of NuVox Communications, Inc. f/k/a NewSouth Holdings, Inc and its ultimate parent, NuVox, Inc., to operate in the public interest as the reorganization will not cause any meaningful change in the ownership, financial condition or services of the utility entities.

WHEREFORE, the Petitioners hereby respectfully request that the Authority grant them authority, to the extent required, to reorganize, as described herein, to transfer authority pursuant to T C A § 65-4-113, and for such other and further relief as may be necessary to carry out the reorganization described herein no later than *December 31, 2004*.

Respectfully submitted,

NEWSOUTH COMMUNICATIONS CORP., NUVOX
COMMUNICATIONS, INC. AND NEWSOUTH
HOLDINGS, INC.

By: 

Henry Walker
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, Tennessee 37219
(615) 252-2363

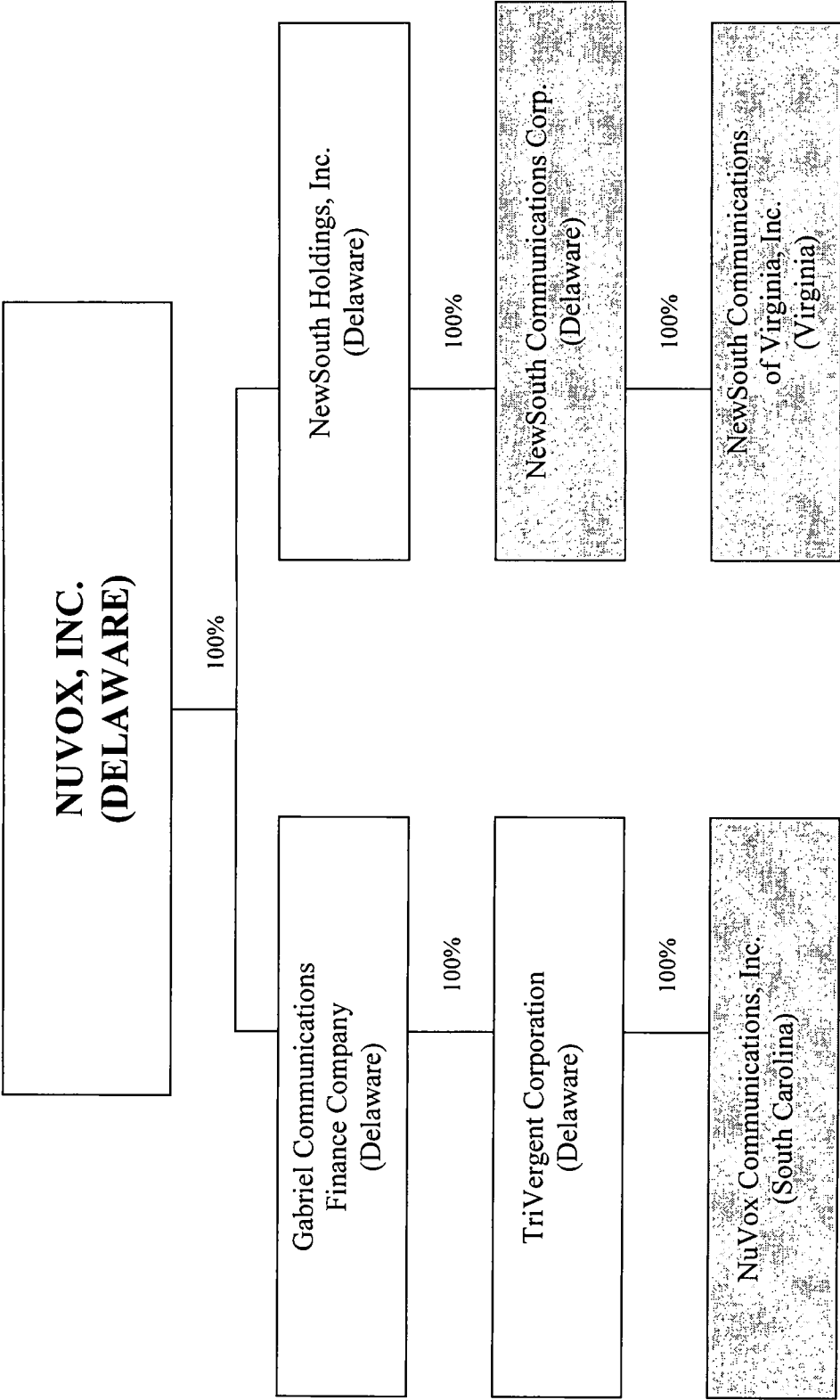
and

Brad E. Mutschelknaus
Melissa S. Conway
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W.
Suite 500
Washington, D.C. 20036
(202) 955-9600

EXHIBIT A

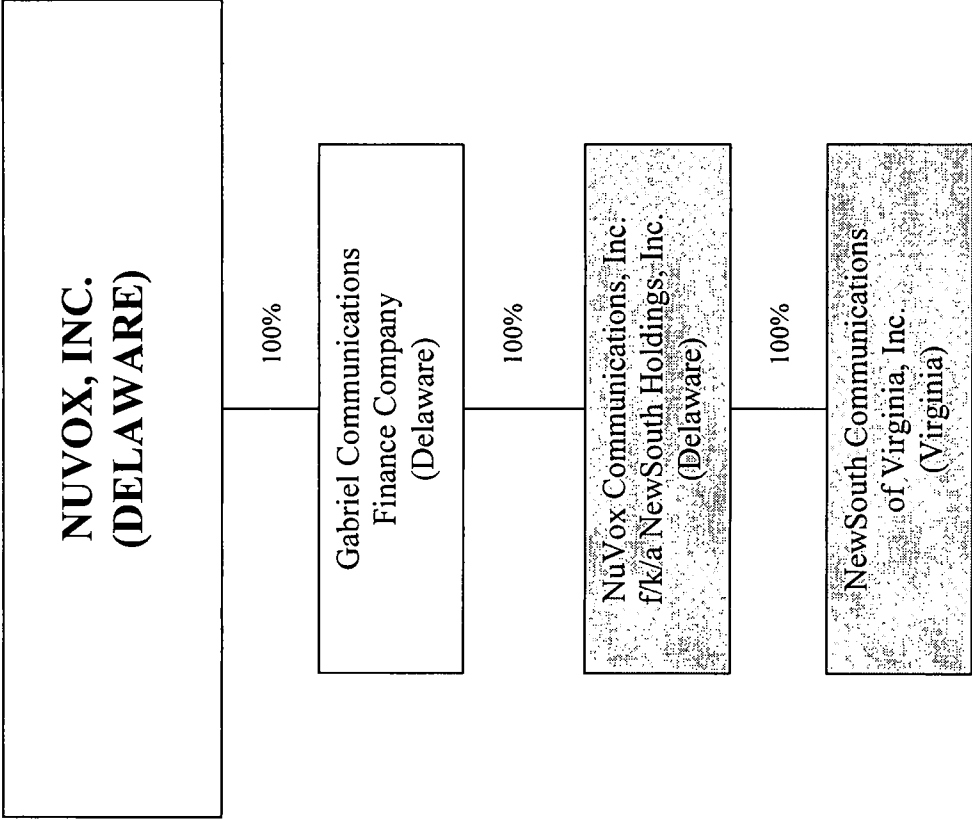
ORGANIZATIONAL CHARTS

EXISTING CORPORATE STRUCTURE OF NUVOX, INC.



NOTE: SHADING = Entities authorized to provide telecommunications services.

**CORPORATE STRUCTURE OF NUVOX, INC.
POST-REORGANIZATION**

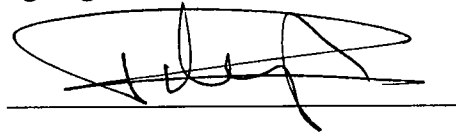


NOTE: SHADING = Entities authorized to provide telecommunications services.

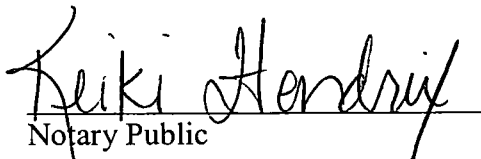
VERIFICATION

I, Riley Murphy, am General Counsel of NuVox, Inc. and am authorized to represent it and its subsidiaries, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its subsidiaries, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 14th day of
September 2004.


Notary Public

My Commission expires: May 12, 2014

